

Economic Development Region 2: Headwaters

Covering the following counties:

Beltrami, Clearwater,
Hubbard, Lake of the Woods,
and Mahnommen

2021 REGIONAL PROFILE

Updated September 2021

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Web: <http://mn.gov/deed/data/>

<https://mn.gov/deed/data/regional-lmi/northwest-lmi.jsp>

DEMOGRAPHICS

POPULATION CHANGE

Economic Development Region 2- Headwaters is a mostly rural, five-county region located in the far north central region of the state, bordering Canada. EDR 2- Headwaters was the eleventh largest of 13 economic development regions (EDRs) in the state, accounting for 1.5 % of the state's total population. It was also the third largest of the four EDR's in Northwest Minnesota. The regional population increased by 5.4%, or 4,446 residents, from 2010 to 2020, compared to a 6.7% rise statewide (Table 1).

	2010 Population	2020 Estimates	2010-2020 Change	
			Number	Percent
Region 2 - Headwaters	83,023	87,469	+4,446	+5.4%
Beltrami Co.	44,442	47,442	+3,000	+6.8%
Clearwater Co.	8,695	9,017	+322	+3.7%
Hubbard Co.	20,428	21,783	+1,355	+6.6%
Lake of the Woods Co.	4,045	3,754	-291	-7.2%
Mahnomen Co.	5,413	5,473	+60	+1.1%
Northwest Minnesota	553,805	571,239	+17,434	+3.1%
Region 1	86,091	83,810	-2,281	-2.6%
Region 4	221,688	232,662	+10,974	+5.0%
Region 5	163,003	167,298	+4,295	+2.6%
State of Minnesota	5,303,925	5,657,342	+354,417	+6.7%

Source: [U.S. Census Bureau, Population Estimates](#)

Four of the five counties in EDR 2-Headwaters grew in population since 2010, with Beltrami County growing 6.8% with the addition of 3,000 residents and Hubbard County adding 1,355 people, a 6.6% growth rate. Beltrami was the 14th fastest growing county and Hubbard was next at the 15th fastest. Meanwhile, Clearwater County and Mahnomen County had slight population increases since 2010, with the former adding 322 residents and the latter adding 60 people. Lake of the Woods County declined by 7.2% with a decrease of 291 people.

COMPONENTS OF POPULATION CHANGE

The recent population increase in EDR 2 was fueled primarily by a natural increase -more births than deaths - of 3,013 people from 2010 to 2019 with 10,595 births and 7,582 deaths. These increases were supplemented by net migration of 733 people with 483 international migrants and 290 domestic migrants (Table 2).

With the in-migration, Region 2 was now home to 1,206 foreign born residents, or 1.4% of the total population. The largest number of immigrants in the region came from Asia, Latin

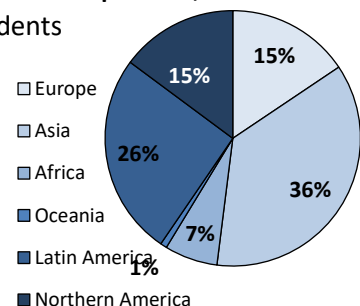
	Total Change	Natural Increase	Vital Events		Net Migration		
			Births	Deaths	Total	Inter- national	Domestic
Region 2	+3,741	+3,013	10,595	7,582	+773	+483	+290
Minnesota	+335,705	+250,488	637,356	386,868	+88,161	+114,414	-26,253

Source: [U.S. Census Bureau, Population Estimates Program](#)

America, Europe, Canada, and Africa (Figure 1). However the fastest increase in immigrants came from Africa, which grew by 131% since 2010. Meanwhile, the number of Asian born residents in the region had decreased by 22% since 2010 with 122 less residents.

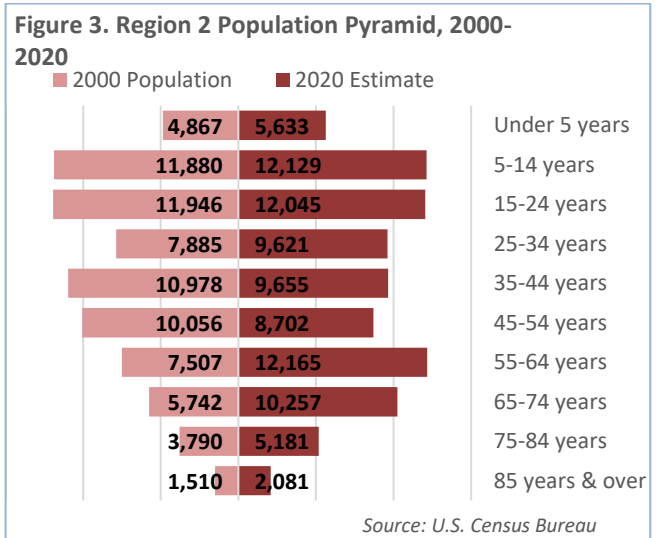
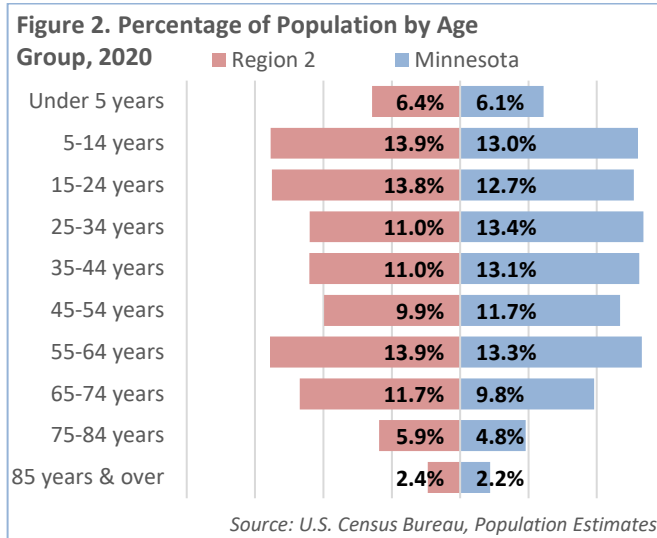
Based on year of entry, Region 2's foreign born population was different than the rest of the state. About 30% of the region's immigrants entered the U.S. before 1990, compared to just 19.8% statewide. The region had more foreign-born residents who entered since 2010 than statewide with 36.3% compared to the state's 27.6%. Foreign-born residents have a younger age profile than the native born population, with 34.6% being between 25 and 44 years of age, compared to 21% of the total population. While a similar percentage of foreign-born residents had a high school diploma than native born residents, immigrants were also less likely to have attained a bachelor's or advanced degree.

Figure 1. Place of Birth for the Foreign Born Population, 2019



POPULATION BY AGE GROUP

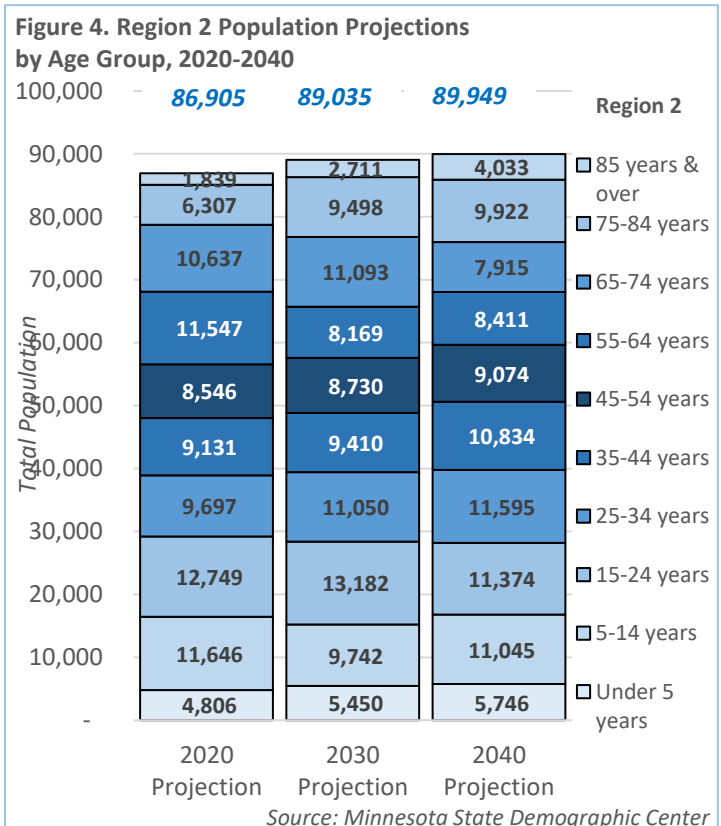
In EDR 2-Headwaters, over one-third (33.9%) of the regional population is over the age of 55, compared to 30.1% statewide. In contrast, EDR 2 had a smaller percentage of people in the 25 to 54 year age group – typically considered the “prime working years”. A large portion of the population is a part of the Baby Boom generation, which is creating a significant shift in regional demographics over time. Between 2000 and 2020, the region gained about 11,000 residents 55 years of age or older. Still, 20.3% of the population is under 15 years of age, a similar rate to the proportion statewide (Figure 2 and 3).



POPULATION PROJECTIONS BY AGE GROUP

EDR 2-Headwaters is projected to continue its population increase in the near future. Population projections from the [Minnesota State Demographic Center](#) show that the area is expected to gain about 3,000 residents from 2020 to 2040, a 3.5% increase (see Figure 4). In comparison, the projected growth statewide from 2020 to 2040 is approximately 8.8%.

Still, the projected population change varies by age. The region is expected to add residents between the ages of 25 and 54, and a corresponding increase in young children. Conversely, major losses are expected to occur in the age groups from 55 to 74 years, as the Baby Boom generation ages out of those cohorts. However, this will also lead to nearly 5,800 more residents aged 75 years and over, a 71.3% expansion.



POPULATION BY RACE

The population in EDR 2 has had some significant changes since the turn of the century, making it one of only two regions that are more racially diverse than the state as a whole. In 2019, less than 80% of the region's residents reported White alone as their race, compared to 82.8% of residents statewide. In addition, every minority race increased faster in the region from 2000 to 2019 than the White population. In fact, the number of residents who were Black or African American quadrupled, and the number of people of Two or More Races, and those of Hispanic or Latino origin all more than doubled since 2000 while Asian & Other Pacific Islander nearly doubled.

Table 3. Race and Hispanic Origin, 2019	EDR 2 – Headwaters			Minnesota	
	Number	Percent	Change from 2000-2019	Percent	Change from 2000-2019
Total	85,515	100.0%	+12.3%	100.0%	+13.1%
White	67,100	78.5%	+6.1%	82.8%	+4.7%
Black or African American	911	1.1%	+333.8%	6.4%	+107.6%
American Indian & Alaska Native	12,840	15.0%	+19.8%	1.0%	+5.5%
Asian & Other Pacific Islander	597	0.7%	+86.6%	4.9%	+87.8%
Some Other Race	245	0.3%	+50.3%	1.9%	+58.1%
Two or More Races	3,822	4.5%	+157.9%	3.0%	+99.9%
Hispanic or Latino	2,011	2.4%	+205.6%	5.4%	+108.9%

Source: 2015-2019 American Community Survey, 5-year estimates

However, the regional diversity in EDR 2 is mostly due to its sizable American Indian population. An estimated 15.0% of the population is American Indian or Alaskan Native, the largest such regional proportion statewide. The American Indian population rose 20% since 2000, nearly four times faster than the state (Table 2).

EDUCATIONAL ATTAINMENT

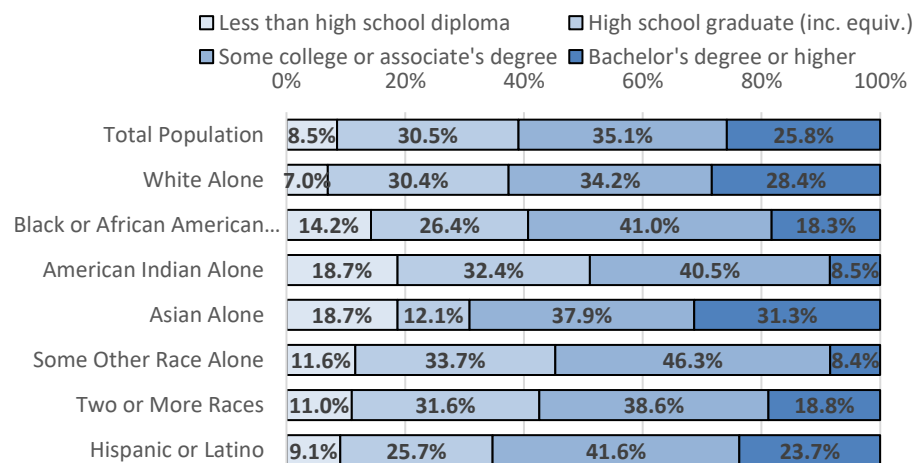
With 34.8% of adults aged 18 years and over holding a college degree, EDR 2 had lower educational attainment than the state in 2019, where 44.4% of adults have an associate, bachelor's, or advanced degree. In contrast, EDR 2 had a higher percentage of people with some college but no degree, and a high school diploma or less. Regional education attainment only exceeded the state in associate's degrees (Table 4).

Table 4. Educational Attainment for the Adult Population, 2019	EDR 2-Headwaters		Minnesota
	Number	Percent	Percent
Total, 18 years & over	64,658	100.0%	100.0%
Less than high school	6,349	9.8%	7.5%
High school grad. (incl. equiv.)	19,645	30.4%	25.0%
Some college, no degree	16,179	25.0%	23.1%
Associate's degree	7,396	11.4%	10.9%
Bachelor's degree	9,928	15.4%	22.5%
Advanced degree	5,161	8.0%	11.0%

Source: U.S. Census Bureau, 2015-2019 American Community Survey

Like the rest of the state, educational attainment varies significantly by race and ethnicity in EDR 2. Over 18% of American Indian and Asians have less than a high school diploma, compared just 7% of whites. At just 8.5%, American Indians also had the lowest percent of adults with a bachelor's degree or higher, compared to over one-third of Asian adults and about one-quarter of white and Hispanic or Latino residents (Figure 5).

Figure 5. Region 2 Educational Attainment for the population aged 25 years & over by Race or Origin, 2019



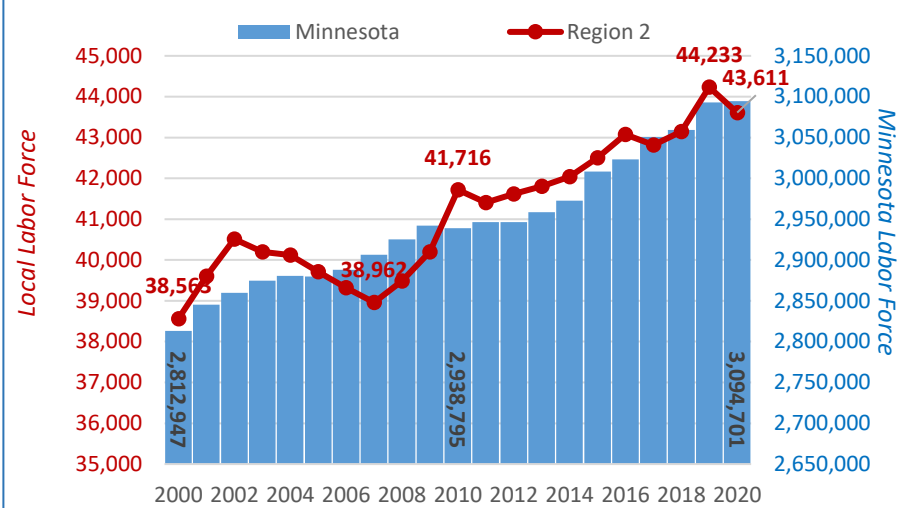
Source: 2015-2019 American Community Survey

LABOR FORCE

LABOR FORCE CHANGE

According to data from DEED's [Local Area Unemployment Statistics](#) program, EDR 2 had an annual average labor force count of just over 43,600 workers in 2020. Despite some ups and downs, the regional labor force has increased since 2000, adding more than 5,000 new workers over the past 20 years. As such, the labor force in EDR 2 actually reached a new peak in 2019, before the pandemic decreased the local labor force in 2020 (Figure 6). Over time and across recessions, the size of the region's labor force has fluctuated, dropping to 38,962 workers in 2007, then adding almost 3,000 workers as the recession took hold. Despite recent gains, the labor market in EDR 2 continues to tighten, with fewer unemployed workers available.

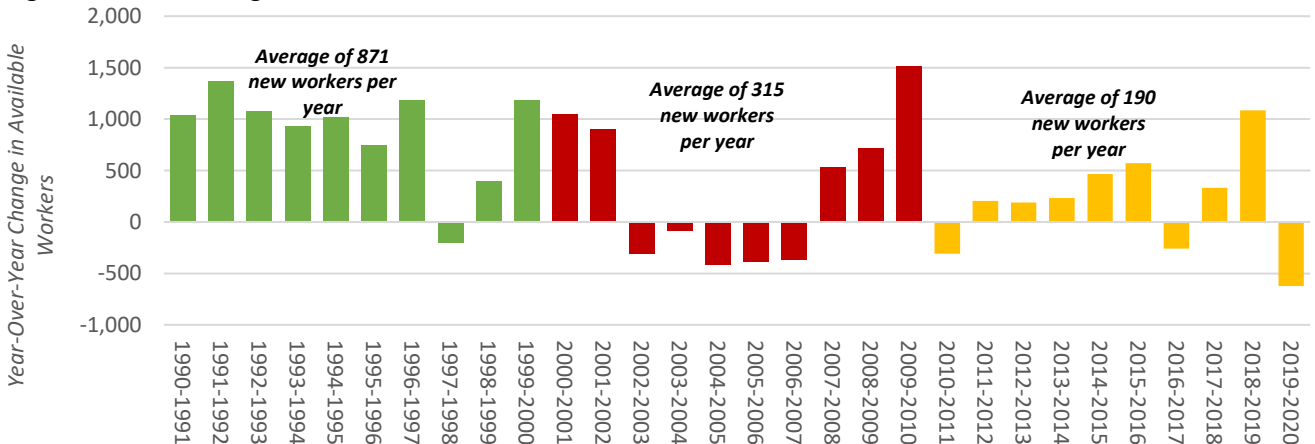
Figure 6. Annual Labor Force Estimates, 2000-2020



Source: DEED Local Area Unemployment Statistics (LAUS) program

Averaging a net gain of 871 additional labor force participants per year between 1990 and 2000, employers in EDR 2 were able to tap into a large and growing pool of talented workers. Although the regional labor force and economy continue to grow, the rate of labor force growth is slowing down considerably, demonstrated by EDR 2 adding an average of only 190 workers per year from 2010 to 2020 (Figure 7). Increasingly tight labor markets and a growing scarcity of workers is now recognized as one of the most significant barriers to future economic growth in EDR 2. In the face of these constraints, it has become evident that a more diverse workforce in terms of age, gender, race, ethnicity, disability status, and immigration has been and will continue to be a vital source of the workers that employers need to succeed. As the white, native-born workforce continues to age, younger workers of different races or from different countries will comprise the fastest growing segment of the labor force.

Figure 7. Annual Change in Labor Force, 1990-2020



Source: DEED Local Area Unemployment Statistics (LAUS)

LABOR FORCE PROJECTIONS

Despite the projected population increase in EDR 2 shown in Figure 4, the regional labor force is expected to contract slightly from 2020 to 2030. Applying current labor force participation rates to future population projections by age group creates labor force projections for the region, which show a 0.2% drop in workforce numbers as the Baby Boom generation ages and drops out of the labor force. The projected decline includes a huge loss in the number of workers aged 55 to 64 years by 2030, against smaller gains among teenaged and entry-level workers, as well as those 65 years and over. Most importantly, the number of workers aged 25 to 54 years is expected to swell by more than 1,500 workers. Still, the anticipated contraction may lead employers to adapt their management and hiring practices in order to compete for workers (Table 5).

Table 5. EDR 2-Headwaters Labor Force Projections

	2020 Labor Force Projection	2030 Labor Force Projection	2020-2030 Change	
			Numeric	Percent
16 to 19 years	1,970	1,991	+22	+1.1%
20 to 24 years	5,382	5,668	+286	+5.3%
25 to 44 years	15,985	17,371	+1,386	+8.7%
45 to 54 years	7,126	7,279	+153	+2.2%
55 to 64 years	7,757	5,488	-2,269	-29.3%
65 to 74 years	2,692	2,807	+115	+4.3%
75 years & over	423	633	+211	+49.9%
Total Labor Force	41,334	41,238	-96	-0.2%

Source: calculated from Minnesota State Demographic Center population projections and 2015-2019 American Community Survey 5-Year Estimates.

EMPLOYMENT CHARACTERISTICS

With just 61.5% of the population over 16 years of age in the labor force, EDR 2 had a much lower labor force participation rate than the state. In addition, every age group had lower labor force participation rates than those statewide. Those aged 16 to 19 years and over 55 had significantly lower labor force participation in EDR 2 than statewide (Table 6).

Participation rates varied by race in EDR 2, but also lagged behind state averages. American Indians and Asians participated more in EDR 2, but African Americans and Some Other Race had significantly lower participation. In addition, the unemployment rates in the region were higher for every race group except Two or More Races. The American Indian unemployment rate was nearly 20%, compared to just 3.5% for whites. In sum, unemployment rates were highest and participation rates were lowest among young workers, BIPOC workers, people with lower educational attainment, and workers with disabilities.

Table 6. EDR 2-Headwaters Employment Characteristics, 2019

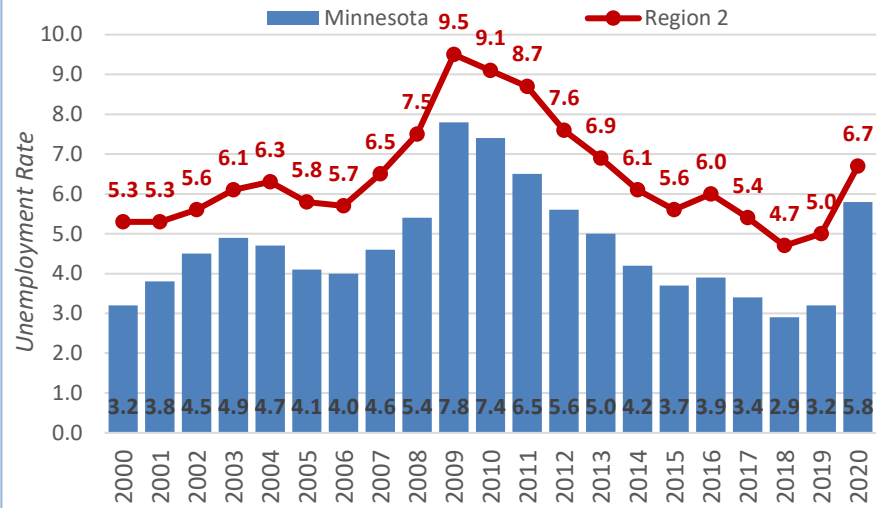
Age Group	EDR 2 –Headwaters			Minnesota	
	Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	41,064	61.5%	5.3%	69.7%	3.6%
16 to 19 years	1,920	42.2%	7.1%	53.2%	11.0%
20 to 24 years	4,821	77.8%	8.2%	84.6%	6.0%
25 to 44 years	15,790	84.9%	8.5%	88.8%	3.2%
45 to 54 years	7,788	83.4%	4.3%	87.6%	2.7%
55 to 64 years	8,056	67.2%	1.0%	73.0%	2.8%
65 to 74 years	2,346	25.3%	2.8%	27.9%	2.2%
75 years & over	353	5.2%	6.3%	6.6%	2.4%
Employment Characteristics by Gender					
Male	33,298	63.4%	7.2%	73.5%	4.1%
Female	33,453	59.7%	5.2%	65.9%	3.1%
Employment Characteristics by Race & Hispanic Origin					
White alone	34,304	61.9%	3.5%	69.3%	3.0%
Black or African American	218	46.7%	25.4%	71.3%	8.8%
American Indian & Alaska Native	4,976	60.7%	19.5%	58.9%	12.6%
Asian or Other Pacific Islanders	297	61.8%	4.2%	71.2%	4.3%
Some Other Race	71	43.0%	14.0%	77.7%	6.1%
Two or More Races	1,223	59.9%	2.4%	73.6%	7.4%
Hispanic or Latino	755	68.8%	2.8%	76.5%	6.1%
Employment Characteristics by Disability					
With Any Disability	2,500	44.1%	7.8%	53.0%	8.6%
Employment Characteristics by Educational Attainment					
Population 25 to 64 years	31,633	79.2%	4.9%	84.5%	3.0%
Less than H.S. Diploma	1,950	61.4%	5.4%	66.3%	4.2%
H.S. Diploma or Equivalent	8,793	75.9%	4.3%	78.5%	2.6%
Some College or Assoc. Degree	12,151	80.2%	4.8%	85.3%	3.0%
Bachelor's Degree or Higher	8,736	87.2%	1.7%	90.0%	1.7%

Source: 2015-2019 American Community Survey, 5-Year Estimates

UNEMPLOYMENT RATES

The regional unemployment rate jumped to 6.7% because of the coronavirus pandemic in 2020. Regardless of the state of the economy, EDR-2 Headwaters has consistently reported higher unemployment rates than Minnesota overall since 2000. According to the [Local Area Unemployment Statistics](#) program, the unemployment rate in EDR 2 consistently hovers one or two percentage points above the statewide rate, shifting in sync with economic fluctuations. During the Great Recession, the region's rate rose as high as 9.5% in 2009, but fell back to prerecession rates by 2015 (Figure 8).

Figure 8. Unemployment Rates, 2000-2020



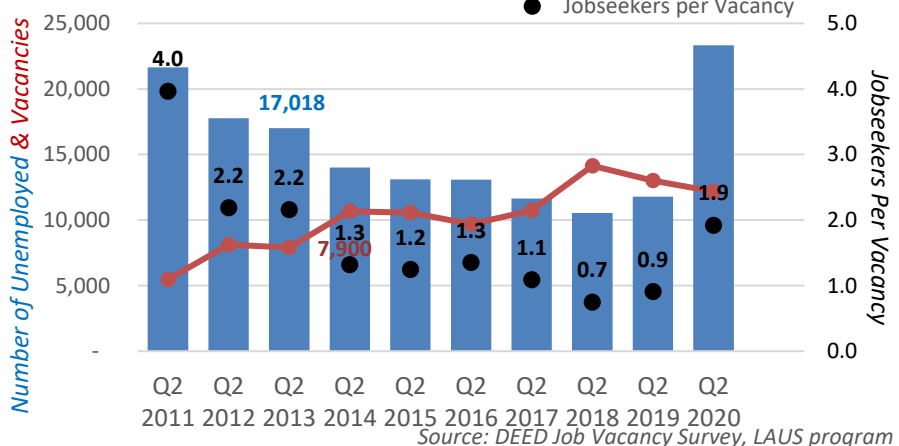
Source: DEED Local Area Unemployment Statistics (LAUS) program

JOBSEEKERS PER VACANCY

As the number of available workers has declined and the economy continues to recover, the region's labor market has tightened. One clear demonstration of this is the ratio of unemployed jobseekers per vacancy, which now stands at 1.9-to-1 in Northwest Minnesota.

According to recent job vacancy survey results, there were 12,180 openings reported by employers compared to 23,340 unemployed jobseekers in the region. The ratio climbed as high as 15.3 during the recession in 2009 (Figure 9).

Figure 9. Jobseekers Per Vacancy, 2011-2020



Source: DEED Job Vacancy Survey, LAUS program

COMMUTE SHED AND LABOR SHED

According to commuting data from the [U.S. Census Bureau](#), over two-thirds of workers who live in the region also work within the region. However, EDR 5 is a net exporter of labor, having fewer jobs than available workers. In 2018, 22,534 workers both lived and worked in EDR 2, while another 7,980 workers drove into the region for work. This is compared to 12,744 workers who lived in the region but drove to outside areas for work (Table 7 and Figure 10).

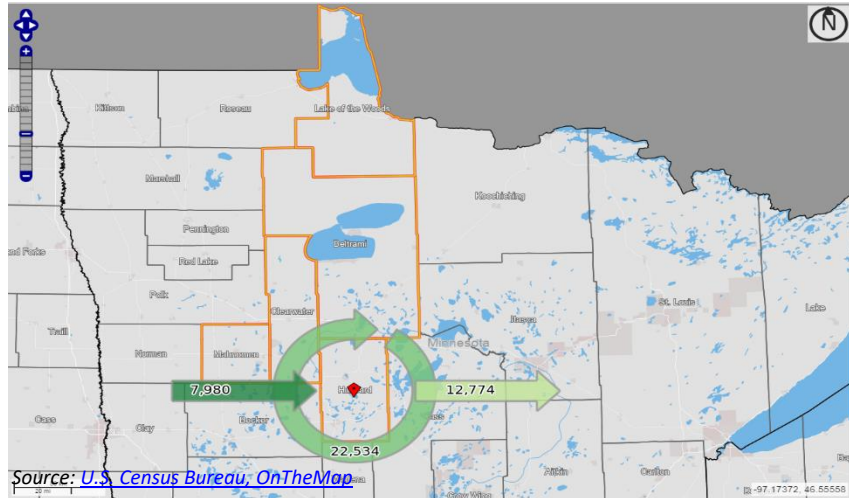
Table 7. EDR 2-Headwaters Inflow/ Outflow Job Counts (All Jobs), 2018	2018	
	Count	Share
Employed in the Selection Area	30,514	100.0%
Employed in the Selection Area but Living Outside	7,980	26.2%
Employed and Living in the Selection Area	22,534	73.8%
Living in the Selection Area	35,308	100.0%
Living in the Selection Area but Employed Outside	12,744	36.2%
Living and Employed in the Selection Area	22,534	63.8%

Source: [U.S. Census Bureau, OnTheMap](#)

Figure 10. EDR 2-Headwaters Labor and Commute Shed, 2018

Home to Bemidji, Beltrami County is the largest employment center in the region and the biggest draw for workers, followed by Hubbard and Clearwater counties.

Employers in the region draw workers from surrounding counties like Becker, Polk, Cass and Wadena Counties. Residents of EDR 2 also travel to these same counties for work, as well as surrounding northern counties like Roseau and Itasca County (Figure 10). The average commute time



for workers in EDR 2 was 21.6 minutes, compared to 23.7 minutes for workers statewide. Almost 60% of workers commuted less than 20 minutes each way, compared to 45.7% statewide. About 7.2% of workers worked at home, and 4.3% were able to walk to work. Just over half (54.4%) of workers left home between 6:00 a.m. and 8:00 a.m.

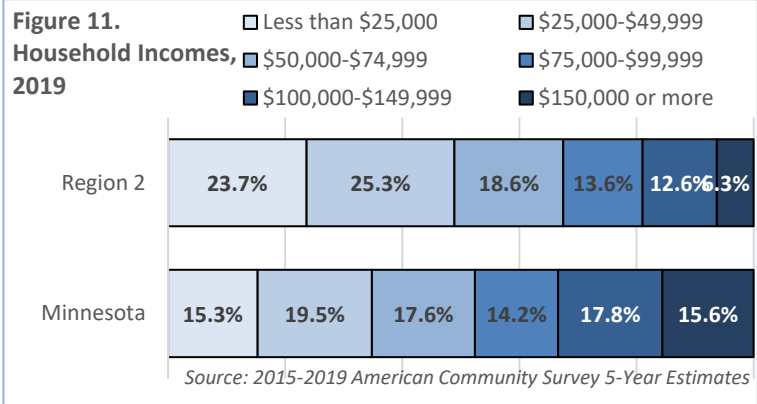
INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

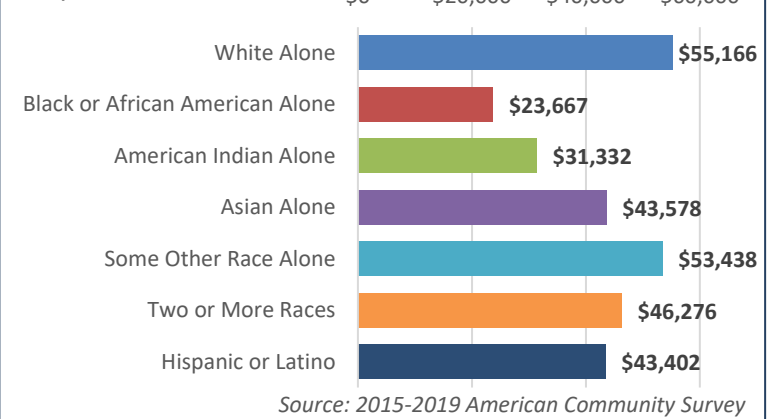
Household incomes were significantly lower in EDR 2 than the rest of the state. The median household income in Headwaters was \$51,053 in 2019, compared to \$71,306 in Minnesota. Less than half (49.0%) of the households in the region had incomes below \$50,000 in 2019, compared to 34.8% of households statewide. Only 6.3% of households had incomes greater than \$150,000 in the region (Figure 11).

Figure 11.

Household Incomes, 2019



Median household incomes varied by race or origin in the region. Black or African American households reported the lowest incomes in Region 2, with a median income that was more than \$30,000 lower than for White households. American Indian households also reported much lower median incomes at \$31,332 compared to White alone households with a median household income of \$55,166. Meanwhile, all non-white race groups reported lower household income than White Alone as well did Hispanic households (Figure 12).

Figure 12. Region 2 Median Household Income by Race, 2019

COST OF LIVING

According to DEED's [Cost of Living tool](#), the basic needs budget for an average Minnesota family (which consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) was \$58,800 in 2020. The cost of living for a similar family in EDR 2 was \$47,904 – which was the eight highest of the 13 economic development regions in the state. The highest monthly costs were for transportation, food, and housing; though the region's housing, child care, and taxes were significantly lower than the rest of the state. In order to meet the basic needs cost of living for the region, the two workers in the family scenario described would need to earn \$15.35 per hour working a combined 60 hours per week.

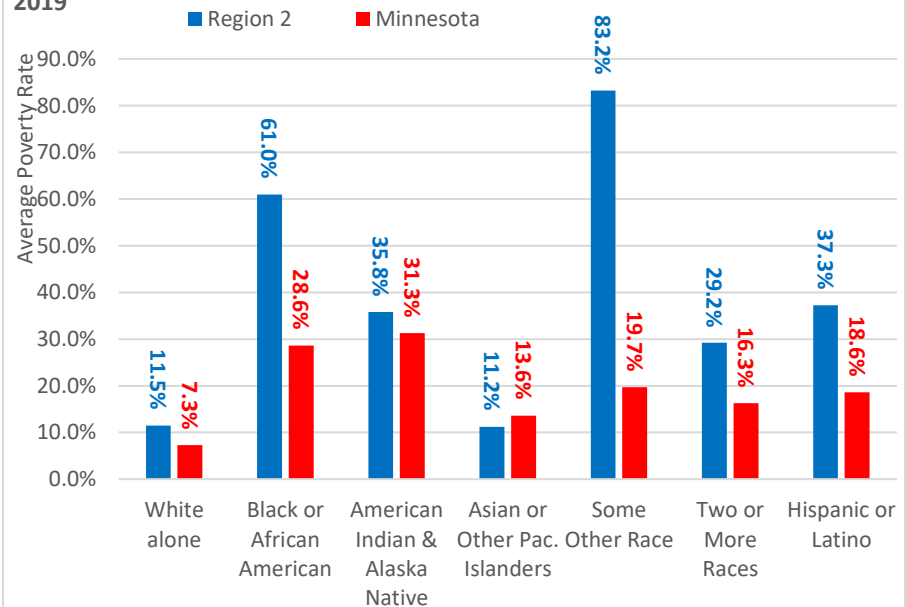
DEED's Cost of Living tool provides different estimates for household compositions including single people, partnered couples, and up to 4 children. For a single person living alone and working full-time, the estimated yearly cost in EDR 2 would be \$29,208, which would require an hourly wage of \$14.04 to meet the basic needs standard of living (Table 8).

Table 8. Family Yearly Cost, Worker Hourly Wage, and Family Monthly Costs, 2020										
Family Composition	Number of Workers	Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
				Child Care	Food	Health Care	Housing	Trans- portation	Other	Taxes
EDR 2-Headwaters										
Single, 0 children	1 FT	\$29,208	\$14.04	\$0	\$350	\$163	\$585	\$748	\$256	\$332
Single, 1 child	1 FT	\$41,916	\$20.15	\$475	\$515	\$385	\$772	\$753	\$352	\$241
2 parents, 1 child	1 FT, 1 PT	\$47,904	\$15.35	\$237	\$798	\$519	\$772	\$873	\$429	\$364
2 parents, 2 children	2 FT	\$64,524	\$15.51	\$765	\$1,039	\$533	\$1,049	\$835	\$574	\$485
State of Minnesota										
Single, 0 children	1 FT	\$32,964	\$15.85	\$0	\$355	\$153	\$832	\$704	\$325	\$378
2 parents, 1 child	1 FT, 1 PT	\$58,800	\$18.85	\$546	\$810	\$549	\$1,069	\$819	\$515	\$592
Source: DEED Cost of Living tool										

Source: [DEED Cost of Living tool](#)

Overall, Region 2's poverty rate was 16.6%, which was considerably higher than the statewide rate of 9.7 percent. Like incomes, poverty levels varied widely by race and origin. It was estimated that over 60% of the region's Black or African American population was below the poverty level in 2019, compared to just 11.5% of the White population. Likewise, poverty levels hovered around 30% for American Indians and for Two or More Races. About 15% of people of Asian and Hispanic or Latino origin also were below the poverty level in 2019. The poverty rate for Some Other Race was at 83.2% and had a population of nearly 250 people (Figure 13).

Figure 13. Percent Below the Poverty Level by Race or Origin, 2019



Source: 2015-2019 American Community Survey

WAGES AND OCCUPATIONS

According to DEED's [Occupational Employment Statistics](#) program, the median hourly wage for all occupations in Region 2 was \$19.80 in the first quarter of 2021. The Headwater's median wage was \$3.20 below the state's median hourly wage, equaling 86% of the statewide wage rate, and \$5.13 below the median hourly wage in the Twin Cities metro area, which would amount to over \$10,500 per year for a full-time worker (Table 9). Based on location quotient, Region 2 stands out for having higher concentrations of farming, fishing, and forestry, business and financial operations, healthcare support, arts, entertainment, and recreation, and food preparation workers than the state. The largest occupations in the region include management, business and financial operations, and computer and mathematical occupations.

Table 9. Occupational Employment Statistics by Region, 1 st Qtr. 2021	Median Hourly Wage	Estimated Regional Employment
Region 1 – Northwest	\$19.87	35,010
Region 2 – Headwaters	\$19.80	29,720
Region 3 – Arrowhead	\$20.49	132,720
Region 4 – West Central	\$19.61	78,570
Region 5 – North Central	\$18.19	64,670
Region 6E – SW Central	\$19.37	49,540
Region 6W – Upper MN Valley	\$19.11	15,520
Region 7E – East Central	\$21.84	48,790
Region 7W – Central	\$20.83	185,220
Region 8 – Southwest	\$18.79	51,340
Region 9 – South Central	\$19.76	99,840
Region 10 – Southeast	\$21.13	231,950
Region 11 – Twin Cities	\$24.93	1,697,060
State of Minnesota	\$23.00	2,708,760

Source: [DEED Occupational Employment Statistics](#)

Not surprisingly, the lowest-paying jobs are concentrated in food prep and serving, building, grounds cleaning and maintenance, sales and related, personal care and service, and healthcare support, which tend to have lower educational and training requirements. For the most part, the gap in pay between Region 2 and the state is also much lower in these jobs (Table 10).

Table 10. EDR 2-Headwaters Occupational Employment Statistics, 1 st Qtr. 2021							
	Region 2-Headwaters				State of Minnesota		
	Median Hourly Wage	Estimated Regional Employment	Share of Total Employment	Location Quotient	Median Hourly Wage	Estimated Regional Employment	Share of Total Employment
Total, All Occupations	\$19.80	29,720	100.0%	1.0	\$23.00	2,708,760	100.0%
Management	\$42.62	1,180	4.0%	0.7	\$54.22	164,530	6.1%
Business & Financial Operations	\$29.94	870	2.9%	0.4	\$35.24	179,670	6.6%
Computer & Mathematical	\$33.23	180	0.6%	0.2	\$44.89	98,240	3.6%
Architecture & Engineering	\$31.98	420	1.4%	0.7	\$38.90	54,880	2.0%
Life, Physical & Social Science	\$29.29	360	1.2%	1.3	\$35.48	26,120	1.0%
Community & Social Service	\$22.86	890	3.0%	1.5	\$24.21	55,630	2.1%
Legal	\$31.75	320	1.1%	1.5	\$41.02	19,760	0.7%
Education, Training & Library	\$24.18	2,770	9.3%	1.6	\$24.64	159,060	5.9%
Arts, Design, Entertainment & Media	\$20.61	280	0.9%	0.7	\$25.72	36,260	1.3%
Healthcare Practitioners & Technical	\$33.23	1,970	6.6%	1.0	\$36.90	188,210	6.9%
Healthcare Support	\$14.50	1,960	6.6%	1.1	\$15.52	157,140	5.8%
Protective Service	\$24.70	590	2.0%	1.3	\$24.18	42,520	1.6%
Food Preparation & Serving Related	\$12.35	2,590	8.7%	1.2	\$13.34	195,120	7.2%
Building, Grounds Cleaning & Maint.	\$15.52	1,310	4.4%	1.6	\$16.14	74,550	2.8%
Personal Care & Service	\$14.02	570	1.9%	1.0	\$14.57	51,660	1.9%
Sales & Related	\$14.71	2,380	8.0%	0.9	\$16.83	250,430	9.2%
Office & Administrative Support	\$18.72	3,490	11.7%	0.9	\$20.93	338,050	12.5%
Farming, Fishing & Forestry	\$18.74	380	1.3%	8.2	\$18.14	4,230	0.2%
Construction & Extraction	\$25.93	1,550	5.2%	1.4	\$29.84	102,390	3.8%
Installation, Maintenance & Repair	\$23.26	1,610	5.4%	1.5	\$25.45	98,840	3.6%
Production	\$17.43	1,710	5.8%	0.8	\$19.82	202,240	7.5%
Transportation & Material Moving	\$19.05	2,350	7.9%	1.0	\$18.83	209,210	7.7%

Source: [DEED Occupational Employment Statistics, Qtr. 1 2021](#)

In contrast, the highest paying jobs are found in management, legal, architecture and engineering, computer and mathematical, healthcare practitioners, business and financial operations, and life, physical, and social science occupations, which all need higher levels of education and experience, including many that require postsecondary training. The pay gaps between the region and state are much bigger in these occupations often exceeding \$5.00 per hour – or \$10,000 per year for a full-time worker.

JOB VACANCY SURVEY

Employers in the 26-county Northwest Planning region reported 12,180 job vacancies in the second quarter of 2020, slightly less to the number of vacancies posted over the past second quarter surveys, which had a peak of 14,136 job vacancies in second quarter of 2018. Demand for workers was high across all industries, with the largest number of openings in retail trade (3,072 job vacancies), accommodation and food services (2,524 job vacancies), health care and social assistance (2,460 job vacancies), educational services (806 job vacancies), construction (767 job vacancies), and public administration (731 job vacancies).

With job vacancy increases, wages have risen with the median hourly wage offer from the current survey jumping to \$14.98 per hour, which was the highest wage offer in the history of the job vacancy survey. Wage offers ranged from just over \$11 per hour for personal care and food preparation and serving occupations to over \$21 per hour for healthcare practitioners, management, and community and social service occupations.

The largest number of vacancies were in sales and related, food preparation and serving related, building and grounds cleaning and maintenance, healthcare support and practitioner, and transportation and material moving occupations. Overall, 42% of the openings were part-time, 28% required post-secondary education, and 34% required 1 or more years of experience (Table 11). In sum, educational requirements in the region had been stable or declining over the past 5 years, while work experience requirements were relatively stable.

Table 11. Northwest Minnesota Job Vacancy Survey Results, 2nd Qtr. 2020

	Number of Total Vacancies	Percent Part-time	Percent Temporary or Seasonal	Requiring Post-Secondary Education	Requiring 1 or More Years of Experience	Requiring Certificate or License	Median Hourly Wage Offer
Total, All Occupations	12,180	42%	25%	28%	34%	39%	\$14.98
Sales & Related	1,439	53%	16%	7%	27%	5%	\$13.11
Building, Grounds Cleaning & Maint.	1,374	45%	40%	2%	9%	4%	\$15.70
Food Preparation & Serving Related	1,367	77%	16%	12%	13%	16%	\$11.20
Healthcare Support	1,290	66%	3%	49%	22%	65%	\$14.32
Transportation & Material Moving	1,158	44%	40%	7%	35%	48%	\$13.03
Healthcare Practitioners & Technical	1,015	29%	5%	78%	42%	94%	\$21.42
Office & Administrative Support	785	22%	29%	9%	45%	14%	\$14.04
Construction & Extraction	687	2%	59%	16%	36%	34%	\$16.69
Education, Training & Library	551	48%	70%	86%	85%	77%	\$17.07
Installation, Maintenance & Repair	398	12%	22%	10%	66%	56%	\$18.19
Production	393	5%	6%	23%	34%	31%	\$15.15
Personal Care & Service	284	83%	44%	6%	8%	19%	\$12.55
Business & Financial Operations	280	3%	2%	79%	94%	73%	\$21.11
Management	209	4%	11%	53%	74%	47%	\$24.17
Community & Social Service	195	63%	10%	41%	39%	93%	\$14.20
Architecture & Engineering	166	1%	14%	83%	70%	90%	\$22.46
Computer & Mathematical	160	0%	2%	62%	61%	6%	\$30.26
Arts, Design, Entertainment & Media	159	8%	52%	12%	11%	10%	\$14.42
Protective Service	126	56%	42%	16%	28%	88%	\$17.53
Life, Physical & Social Sciences	96	1%	6%	100%	99%	98%	\$22.86

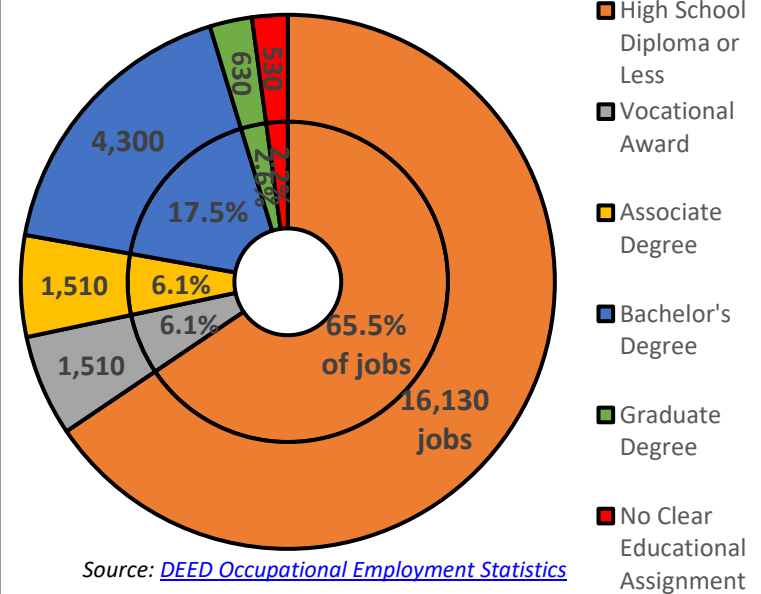
Source: [DEED Job Vacancy Survey, 2nd Qtr. 2020](#)

EDUCATIONAL REQUIREMENTS

Despite the recent job vacancy data, DEED's Occupational Employment Statistics program shows that only around one-third of current jobs held in the region require post-secondary education to enter. The other two-thirds require no more than a high school diploma, and sometimes less. However, some amount of on-the-job training is often needed (Figure 14).

Certain careers – such as dentists, lawyers, and teachers – require a college education, while other jobs – including cost estimators, sales representatives, and correctional officers – do not. College is an excellent way to move up career ladders and open windows of opportunity to fields that would otherwise be closed, such as nursing or engineering. Many of these occupations offer high wages and are in high demand in the marketplace. While education is typically a worthwhile investment, college can be expensive – with average annual expenses ranging between \$14,500 and almost \$50,000 per year in Minnesota. For those who go to college, choice of major matters – different programs lead to different jobs that earn different amounts of money.

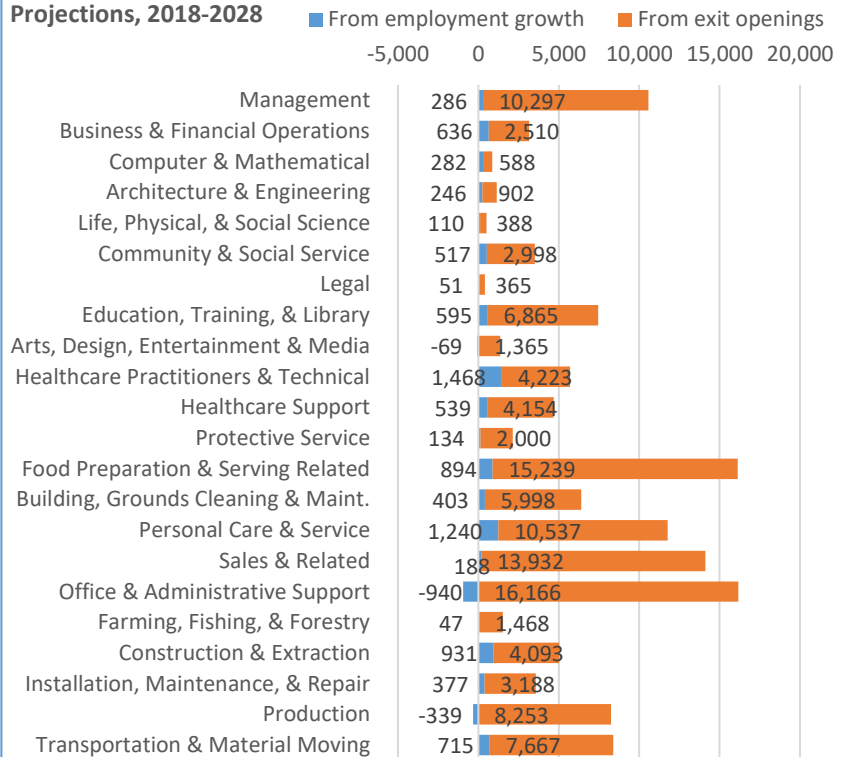
Figure 14. Northwest Minnesota Share of Jobs by Educational Requirements, 2020



EMPLOYMENT PROJECTIONS

Overall, the Northwest Planning Region is projected to grow 3.2% from 2018 to 2028, a gain of 8,311 new jobs. In addition, the region is also expected to need 123,196 replacement openings to fill jobs left vacant by retirements and other career changers. Production, personal care and service, construction and extraction, healthcare support, healthcare practitioners, and building, grounds cleaning and maintenance occupations are expected to see the most new growth. Arts, design, entertainment and media, sales and related, and office and administrative support occupations are expected to decline but every occupational group will show some future demand through replacement openings (Figure 15).

Figure 15. Northwest Minnesota Regional Employment Projections, 2018-2028



OCCUPATIONS IN DEMAND

According to DEED's [Occupations in Demand](#) tool, there are nearly 450 occupations in demand (OID) in Northwest Minnesota, and about 250 occupations are showing relatively high demand. Training and education requirements of these occupations range from short-term on-the-job training to postsecondary education and advanced degrees. Most OID require a high school diploma or less, and less than one-third require a bachelor's degree or higher. While OID exist in every sector, the region's major industries are well represented as many of the jobs are concentrated in health care, education, transportation, retail sales and other related industries (Table 12).

High School or Less	Vocational Training	Associate Degree	Bachelor's Degree or Higher
Maids and Housekeeping Cleaners (\$29,059)	Nursing Assistants (\$33,192)	Registered Nurses (\$70,869)	Elementary School Teachers, Except Special Education (\$55,653)
Personal Care Aides (\$27,537)	Licensed Practical and Vocational Nurses (\$44,853)	Veterinary Technologists and Technicians (\$35,815)	Secondary School Teachers (\$57,557)
Laborers and Freight, Stock and Material (\$33,677)	Automotive Service Technicians and Mechanics (\$43,383)	Surgical Technologists (\$50,177)	Substitute Teachers, Short-Term (\$36,299)
Teaching Assistants, Except Postsecondary (\$31,147)	Computer User Support Specialists (\$48,506)	Computer Network Support Specialists (\$60,416)	Accountants and Auditors (\$59,318)
Heavy and Tractor-Trailer Truck Drivers (\$45,816)	Dental Assistants (\$44,363)	Electrical and Electronic Engineering Techs (\$50,325)	Education Administration (\$101,280)
Pharmacy Technicians (\$35,018)	Computer Numerically Controlled Tool Programmers (\$62,623)	Agricultural and Food Science Technicians (\$38,083)	General Internal Medicine Physicians (N/A)
Interviewers, Except Eligibility and Loan (\$32,542)	Emergency Medical Technicians and Paramedics (\$35,744)	Civil Engineering Techs (\$63,159)	Market Research Analysts & Marketing Spec. (\$53,033)
Janitors and Cleaners, Except Maids (\$30,581)	Mobile Heavy Equipment Mechanics (\$59,788)	Forest and Conservation Techs (\$49,367)	Nurse Practitioners (\$117,222)
Miscellaneous Assemblers (\$38,150)	Health Information Technologists, Medical Registrars (\$56,465)	Web Developers and Digital Interface Designers (\$65,205)	Career/Technical Education Teachers (\$57,777)
Operating Engineers (\$50,500)	Electricians (\$57,871)	Industrial Engineering Techs (\$46,625)	Rehabilitation Counselors (\$34,434)

Source: [DEED Occupations in Demand](#)

ECONOMY

INDUSTRY EMPLOYMENT

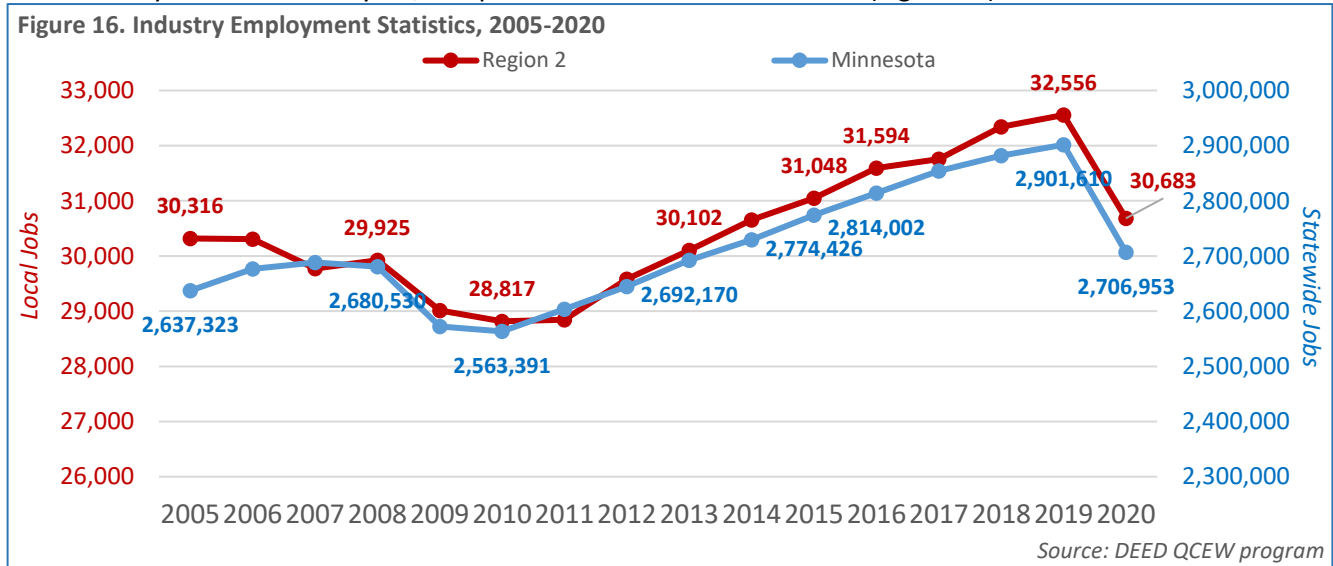
According to DEED's [Quarterly Census of Employment & Wages \(QCEW\) program](#), Region 2 was home to 2,398 business establishments providing 30,683 covered jobs through 2020, with a total payroll that neared \$1.4 billion. That was 1.1% of total employment in the state of Minnesota. Average annual wages were \$45,455 in the region, which was about \$18,700 lower than the average annual wage statewide (Table 13).

Geography	Number of Firms	Number of Jobs	Total Payroll	Average Annual Wage	2015-2020		2019-2020	
					Change in Jobs	Percent Change	Change in Jobs	Percent Change
EDR 2-Headwaters	2,398	30,683	\$1,394,696,834	\$45,455	-365	-1.2%	-1,873	-5.8%
Beltrami Co.	1,254	19,365	\$906,732,875	\$46,823	+345	+1.8%	-815	-4.0%
Clearwater Co.	227	2,462	\$109,872,134	\$44,627	-239	-8.8%	-146	-5.6%
Hubbard Co.	630	5,793	\$250,669,198	\$43,271	-32	-0.5%	-405	-6.5%
Lake of the Woods Co.	174	1,593	\$64,345,411	\$40,393	+10	+0.6%	-125	-7.3%
Mahnomen Co.	114	1,469	\$63,077,216	\$42,939	-448	-23.4%	-382	-20.6%
State of Minnesota	182,228	2,706,953	\$173,687,525,221	\$64,163	-67,473	-2.4%	-194,657	-6.7%

Source: [DEED Quarterly Census of Employment & Wages \(QCEW\)](#)

In terms of employment, Beltrami County is the largest economic center in EDR 2 with 19,365 jobs at 1,254 firms, accounting for 63% of all jobs in the region. Due to the Coronavirus pandemic, the region and all counties within have reported job losses with nearly 1,900 jobs lost in the region from 2019 to 2020. Beltrami County had the most job losses with 815 but Mahanomen County lost over 20% of its employment with the subtraction of nearly 400 jobs. Hubbard County lost 405 jobs over the past year, a 6.5% decrease. Meanwhile, two counties had a gain in jobs since 2015, as Beltrami County added 345 and Lake of the Woods increased by 10.

EDR 2 gained employment over the past decade overall, but experienced significant swings in employment during the recession and recovery and for the most part, regional employment followed statewide trends. As such, the region took time to recover from the 2009 recession and regained all jobs by 2013, the same year Minnesota regained lost jobs from the recession. However, due to the pandemic, employment in EDR 2 has decreased by 5.8% in the last year, compared to 6.7% decline statewide (Figure 16).



With 6,234 jobs at 255 establishments, the Health Care and Social Assistance industry employs the most workers in EDR 2-Headwaters accounting for 20.3% of total employment. Reflecting the region's aging population, hospitals and nursing and residential care facilities were the largest employing sectors. Despite losing 76 jobs in 2020, the industry was able to make up those declines with growth over the past 5 years that equated to a 13.4% increase in employment with an addition of 735 jobs.

The next largest industries are Retail Trade and Accommodation and Food Services, which also experienced job losses in the last year with the latter experiencing a 1,046-job loss, nearly a quarter in reduction of employment. However, both industries have average annual wages that are less than half of the average annual wage of the Total, All Industries.

Other important industries in EDR 5 include Educational Services, Public Administration, Manufacturing, and Construction which combined for 11,020 jobs or 36% of all employment. The Public Administration industry gained in employment from 2019 to 2020 and the Construction industry only decreased by 0.6% indicating some industries were resilient to the pandemic. Again, due to the pandemic, 17 of the 20 industries in the region recorded job losses from 2019 to 2020 while 8 of 20 industries had positive five-year growth rates (Table 14).

Table 14. EDR 2-Headwaters Industry Employment Statistics, 2020

Region 2	2020 Annual Data				2015-2020		2019-2020	
NAICS Industry Title	Number of Firms	Number of Jobs	Total Payroll (\$1,000s)	Avg. Annual Wage	Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	2,398	30,683	\$1,394,697	\$45,455	-365	-1.2%	-1,873	-5.8%
Health Care & Social Assistance	255	6,234	\$352,188	\$56,495	+735	+13.4%	-76	-1.2%
Retail Trade	360	4,300	\$119,097	\$27,697	-15	-0.3%	-169	-3.8%
Accommodation & Food Services	281	3,428	\$66,317	\$19,346	+112	+3.4%	-1,046	-23.4%
Educational Services	72	3,344	\$173,407	\$51,856	+81	+2.5%	-174	-4.9%
Public Administration	136	3,103	\$159,693	\$51,464	+309	+11.1%	23	0.7%
Manufacturing	79	2,419	\$125,891	\$52,042	-2	-0.1%	-117	-4.6%
Construction	334	2,154	\$132,339	\$61,439	+174	+8.8%	-14	-0.6%
Transportation & Warehousing	112	1,024	\$52,459	\$51,229	-37	-3.5%	74	7.8%
Other Services	182	673	\$19,652	\$29,201	-167	-19.9%	-118	-14.9%
Finance & Insurance	86	672	\$37,927	\$56,439	-23	-3.3%	-36	-5.1%
Wholesale Trade	69	649	\$33,739	\$51,986	+40	+6.6%	-23	-3.4%
Agriculture, Forestry, Fish & Hunt	71	562	\$20,945	\$37,246	-47	-7.7%	-20	-3.4%
Professional & Technical Services	116	518	\$24,047	\$46,422	-7	-1.3%	2	0.4%
Admin. Support & Waste Mgmt. Svcs.	74	379	\$10,924	\$28,823	-283	-42.7%	-49	-11.4%
Information	31	376	\$19,510	\$51,887	-100	-21.0%	-49	-11.5%
Arts, Entertainment, & Recreation	60	376	\$8,190	\$21,783	-1,161	-75.5%	-69	-15.5%
Utilities	14	234	\$20,467	\$87,466	-17	-6.8%	-6	-2.5%
Real Estate & Rental & Leasing	56	186	\$6,536	\$35,141	+59	+46.5%	-5	-2.6%
Management of Companies	6	33	\$3,179	\$96,322	-21	-38.9%	-7	-17.5%
Mining	5	30	\$1,750	\$57,683	+1	+2.8%	0	0.0%

Source: DEED Quarterly Census of Employment & Wages (QCEW) program

INDUSTRY EMPLOYMENT

According to DEED's Quarterly Employment Demographics (QED) program, the workforce in the region was aging over the past 10 years. Nearly one-quarter (24.3%) of workers in the region were 55 years or older, compared to 22% statewide and just 19.3% in the region one decade earlier. In contrast, the percentage of teenaged workers was falling, and wages were going up for younger workers (Table 15).

As noted above, wages were climbing across the board for all workers due to rising demand and a tight labor market. While wages were still lowest for the youngest and oldest workers who tend to fill lower-skilled, less-than-fulltime jobs in industries like retail trade and accommodation and food services, these two age groups enjoyed the fastest percentage increase in wages from 2009 to 2019. Wages were highest for workers between 45 and 64 years of age, and males worked more hours than females.

Table 15. Workforce Demographics by Age Group and Gender, Total of All Industries, 2009-2019

EDR 2-Headwaters	Percentage of Workers		Percent of Workers, Minnesota		Median Hourly Wage		Median Hours Worked (Per Qtr.)	
	2019	2009	2019	2009	2019	2009	2019	2009
Total, all ages	100.0%	100.0%	100.0%	100.0%	\$17.06	\$13.27	384	394
19 years & under	6.6%	7.9%	6.0%	6.5%	\$11.00	\$7.49	125	127
20 to 24 years	11.4%	11.5%	10.1%	11.1%	\$13.84	\$9.50	260	263
25 to 44 years	40.0%	37.8%	43.2%	42.7%	\$19.42	\$14.20	445	444
45 to 54 years	17.8%	23.5%	18.7%	23.0%	\$21.76	\$15.82	476	480
55 to 64 years	18.0%	15.4%	16.9%	13.5%	\$20.33	\$15.79	460	459
65 years & over	6.3%	3.9%	5.1%	3.3%	\$15.89	\$11.60	238	208
Male	48.2%	45.4%	49.1%	49.0%	\$19.39	\$14.59	447	440
Female	51.8%	54.6%	50.9%	51.0%	\$16.82	\$12.10	377	381

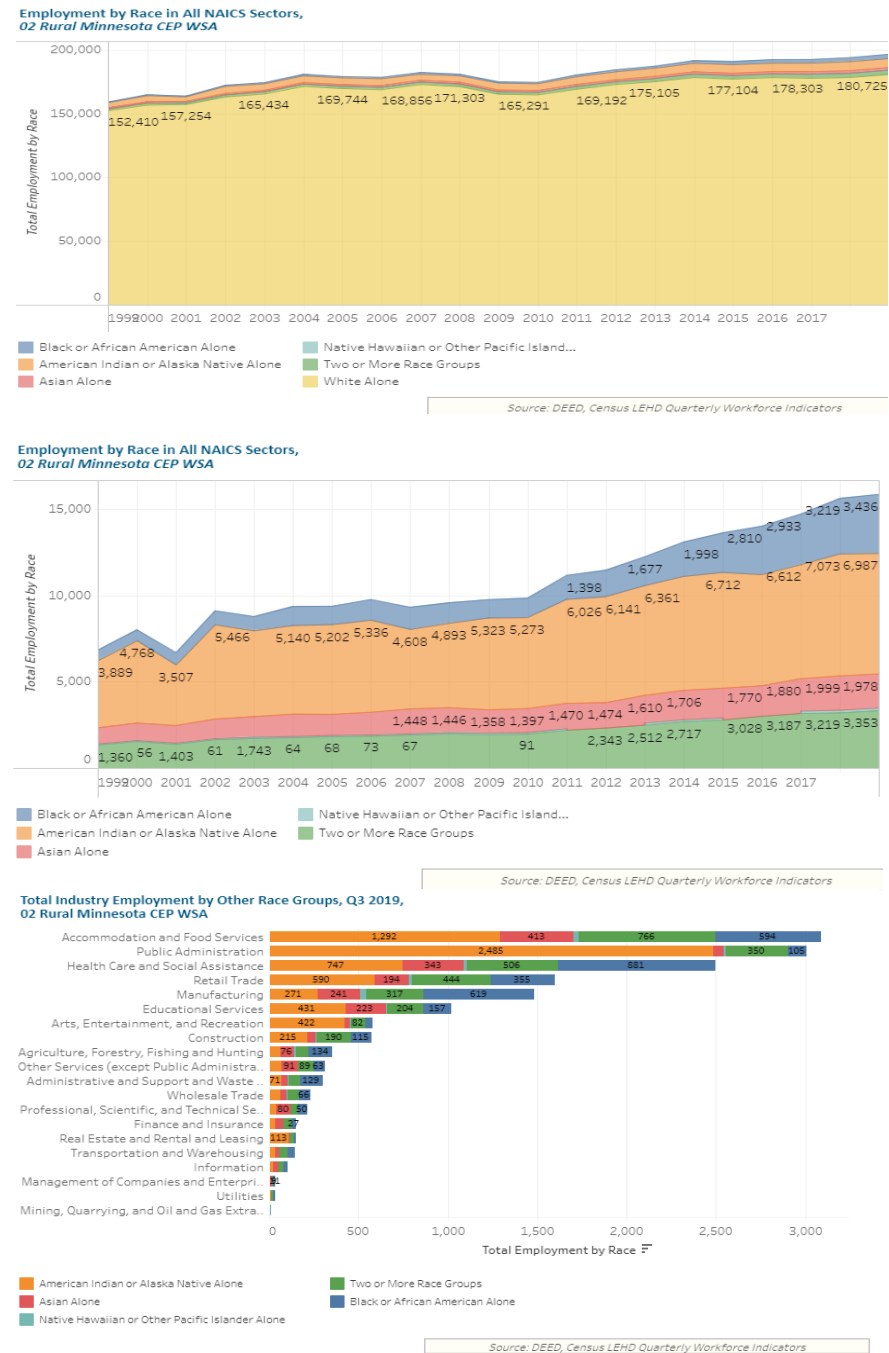
Source: DEED Quarterly Employment Demographics

While people of color make up 9.4% of the overall population, they held 8.1% of total jobs in the Rural Minnesota CEP Workforce Development Area, according to data from the Quarterly Workforce Indicators program. Through the third quarter of 2019, that equaled 15,905 workers of color, compared to 180,725 White Alone workers. Workers of color held just 4.9% of total jobs in the WDA in 2000, indicating a significant increase in employment since 2000.

In sum, workers of color have filled an additional 7,872 jobs in the WDA since 2000, accounting for about one-quarter of new jobs added. With 6,987 jobs, American Indian or Alaska Natives were the largest group of color in the WDA's economy, after gaining 3,889 jobs since 2000. The next largest group was Two or More Races, who held 3,353 jobs in 2019 after more than doubling since 2000. Black or African Americans held 3,436 jobs in the area, increasing 446% from 2000. With 1,978 jobs in 2019, Asians experienced a gain of 1,038 or doubled employment. Finally, Hispanic or Latino workers accounted for 6,442 jobs or 3.4% of the total workforce and increased 162% from 2000.

Most sectors in the Workforce Development Area are non-diverse, but there are a couple industries that rely more heavily on workers of color. For example, 23.5% of the Public Administration workforce is people of color, consisting of 82.5% American Indian or Alaska Native Alone workers. Likewise, 19.3% of the Arts, Entertainment, and Recreation and 15% of Accommodation and Food Services workforces were people of color. The largest number of workers of color (3,091) were employed in Accommodation and Food Services, Public Administration, and Health Care and Social Services (see Figure 17).

Figure 17. Employment by Race Statistics for Rural Minnesota CEP Workforce Development Area



2019 data is for Qs 1-3. Source: DEED, Census LEHD Quarterly Workforce Indicators
https://public.tableau.com/app/profile/magda.olson/viz/QWI-Race_byWSA_2019/Story1

INDUSTRY PROJECTIONS

The 26-county Northwest Planning Area is projected to grow 3.2% from 2018 to 2028, a gain of 8,311 new jobs. The largest and fastest growing industry is expected to be health care and social assistance, which may account for one-half of the total projected growth in the region by 2028. The region is also expected to see significant employment growth in construction, public administration, accommodation and food services, and educational services. In contrast, information is projected to decrease in employment by 15% and arts, entertainment, and recreation and manufacturing are also projected to decline by 100 jobs over the next 10 years (Table 16).

Industry	Estimated Employment 2018	Projected Employment 2028	Percent Change 2018-2028	Numeric Change 2018-2028
Total, All Industries	263,134	271,445	+3.2%	+8,311
Health Care & Social Assistance	38,050	42,165	+10.8%	+4,115
Manufacturing	29,207	29,064	-0.5%	-143
Retail Trade	28,148	28,190	+0.1%	+42
Public Administration	23,300	23,980	+2.9%	+680
Educational Services	23,141	23,679	+2.3%	+538
Accommodation & Food Services	20,661	21,248	+2.8%	+587
Wholesale Trade	12,153	12,545	+3.2%	+392
Construction	10,281	11,330	+10.2%	+1,049
Other Services, Ex. Public Admin	10,196	10,174	-0.2%	-22
Transportation & Warehousing	6,934	7,284	+5.0%	+350
Finance & Insurance	6,003	6,287	+4.7%	+284
Agriculture, Forestry, Fish & Hunt	5,627	5,766	+2.5%	+139
Professional & Technical Services	4,771	5,123	+7.4%	+352
Arts, Entertainment, & Recreation	4,570	4,416	-3.4%	-154
Administrative & Waste Services	4,369	4,978	+13.9%	+609
Information	2,506	2,128	-15.1%	-378
Real Estate & Rental & Leasing	1,473	1,502	+2.0%	+29
Utilities	1,185	1,155	-2.5%	-30
Management of Companies	847	1,020	+20.4%	+173
Mining	206	237	+15.0%	+31

Source: DEED 2016-2026 Employment Outlook

NONEMPLOYER ESTABLISHMENTS

Region 2 was home to 5,872 self-employed businesses or “nonemployers” in 2018, which are defined by the U.S. Census Bureau as “businesses without paid employees that are subject to federal income tax, originating from tax return information of the Internal Revenue Service (IRS).” Unlike covered employment, Region 2 saw a steady decline in nonemployers over the past decade, responding to economic changes. In sum, the region lost 837 nonemployers from 2007 to 2018, an -12.5 percent decrease. These non-employers generated sales receipts of over \$247 million in 2017 (Table 17).

	2018		2007-2018	
	Number of Firms	Receipts (\$1,000s)	Change in Firms	Percent Change
EDR 2-Headwaters	5,872	\$247,859	-837	-12.5%
Beltrami Co.	2,853	\$122,426	-459	-13.9%
Clearwater Co.	642	\$27,640	-194	-23.2%
Hubbard Co.	1,676	\$68,036	-202	-10.8%
L.O.T.W Co.	382	\$15,409	+8	+2.1%
Mahnomen Co.	319	\$14,348	+10	+3.2%
Minnesota	416,487	\$19,994,802	+29,503	+7.6%

Source: U.S. Census, Nonemployer Statistics program

CENSUS OF AGRICULTURE

Unlike other parts of Greater Minnesota, agriculture is not a key industry in Region 2, but there are 1,826 farms producing just under \$185.5 million in the market value of products sold in 2017 according to the U.S. Department of Agriculture. All of the counties in the planning region rank near the bottom in Minnesota in regards to the market value of products sold (Table 18).

	Number of Farms	Market Value of Products Sold	State Rank
EDR 2-Headwaters	1,826	\$185,479,000	12
Beltrami Co.	583	\$23,800,000	77
Clearwater Co.	414	\$30,060,000	74
Hubbard Co.	384	\$44,244,000	71
L.O.T.W Co.	134	\$17,278,000	79
Mahnomen Co.	311	\$70,097,000	62
Minnesota	68,822	\$18,395,390,000	

Source: 2017 Census of Agriculture

Upon request, this information can be made available in alternate formats by contacting Cameron Macht at (320) 441-6596 or at cameron.macht@state.mn.us.